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The Railroad Effort To Develop Montana Industry

By John Willard



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In the history of Montana's economic development, the rail lines which serve the state have given, and are giving, close and interested attention to building its industrial potential.

While progress has been made, the goal of industrial accomplishment is as yet far from realized, despite the fact that the state offers a number of substantial attractions to industry.

The railroad effort to obtain new industries for the state and to encourage and expand the existing ones is a never-ending process. It takes the form of constant analysis of the state's potential in light of the needs of individual industries and types of industries and an equally constant effort to acquaint those industries with the possibilities.

Great Northern Railway, for instance, has given Montana high priority in development efforts for continued progress; efforts extending from the most efficient use of the resource, all the way down to the final physical location of some plant or industry, availing itself of Montana wealth.

Laying Montana rail was, of course, Great Northern's first participation toward the state's industrial growth. Then followed colonization, settlement, introduction of better livestock and improved varieties of plants, a continual adjustment in rates to benefit Montana commodities, participation in land reclamation programs, power development and mineral surveys, continual improvement in freight, passenger and motive equipment, tremendous cash payment in Montana taxes, construction of depots, industrial spurs, highway and street crossings and a long list of other endeavors, all participating in the development of Montana toward a maximum industrial growth.

Today, Great Northern participation in Montana's industrial program continues at the same progressive tempo the railway has maintained through the years. Its freight traffic, passenger traffic, agricultural development, land, legal, operating, rate and other departments are focusing attention on the state's growth opportunities and are funneling their

efforts through Great Northern's Industrial Development Department for details of industrial location such as sites, trackage, labor supply available, utilities and other industrial requirements.

Great Northern's long-time belief has been that the most effective participation in industrial growth as far as the railway is concerned lies in research that will accentuate and emphasize the natural resource advantages of an area as the most powerful force in directing attention to the area. Local organizations of state and community here become a vital part of such a policy.

Great Northern maintains key personnel in offices throughout the United States and Canada for a complete integration of Montana industrial development potentials for those persons or firms wishing to investigate such potentials.

Northern Pacific Railway terms Montana's industrial outlook "promising" because of its abundant natural resources, along with currently intriguing possibilities that can be seen for using the state's raw materials profitably in helping to meet the current heavy national requirements for products and services. Therefore, it always has been Northern Pacific policy to work with any interests, either local or statewide, in attempts to attract appropriate industries into the area and find suitable locations on which their plants could be built.

A close contact is being maintained with Perry Roys, director of Montana's State Planning Board, whose program is pointed particularly toward industrial development. The company is coordinating its program also with that of business people at many points on the railroad.

At the moment, Northern Pacific has on the press a highly illustrated brochure giving facts about what Montana and other northwest areas offer as a location for industry. This publication will be given wide national distribution among officers of leading industrial firms. It covers natural resources, water supplies, low-cost electric power, minerals (including oil and coal), timber, agriculture, transportation and taxes.

Advertising by Northern Pacific in Saturday Evening Post and other mass circulation magazines of national importance frequently describes the industrial outlook in Montana as well as other northwest states.

Bentonite deposits in Montana recently have been the object of Northern Pacific geologists' surveys, looking toward use of this mineral as a binder in the taconite industry which just now is being geared up for an enormous operation in northern Minnesota.

Another new development is a sulphur plant at East Billings, where a Northern Pacific site was leased to the Montana Sulphur and Chemical company, on which a factory costing \$480,000 soon will be built. Both dry and liquid sulphur will be recovered here from refinery gases. Monosodium glutamate, a new food seasoning, already is being prepared from Montana sugar beets. In fact, an age of surochemistry in which strange and useful products ranging from soap to plastics may be made from beet sugar, and may not be far away.

Northern Pacific makes property available for lease to industrial concerns at all of its stations in Montana. In addition, wherever a real need exists for more industrial space than can be supplied with its right-of-way, the company either develops other property it already owns or acquires it and then develops it as an industrial park for use exclusively by its shippers and prospective shippers. One or the other of these alternatives has been followed at Billings, Missoula and Glendive.

The Milwaukee road industrial department for many years has been sensitive to the need for industrial areas for which trackage can be provided. Since extensive holdings acquired before and at the time of Milwaukee's construction into Montana have been utilized, the railway has taken adequate supply of sites for prospective users. In recent years lands have been acquired at Great Falls, Missoula, Butte and other points. Most of the newly-acquired Butte holdings have been taken over by the Continental Properties Company as the site for a proposed distribution center of Safeway Stores to serve the Rocky Mountain area.

Development plans now are on the drafting board for certain other properties at other stations. Negotiations also are in progress for the acquisition of additional areas at other points where new industries reasonably may be expected to locate. Existing industry tracks are being extended and new ones constructed at various points in the oil producing regions to accommodate

the expansion now occurring there. Railroad rights-of-way, as well as the separate holdings of Milwaukee's wholly-owned subsidiary, the Milwaukee Land Company, are being leased to major oil companies for exploration and development.

Through advertising in various publications and by the individual efforts of the representatives of Milwaukee's industrial and traffic departments located in all major U. S. cities, Milwaukee constantly is endeavoring to attract to points along its line new industries and existing industries seeking relocation or branch development.

Through cooperation with research organizations Milwaukee constantly is trying to bring about new mineral development and processing and the utilization of other raw materials, including notably during the last several years the pulpwood from the eastern slopes of the Rockies.

Union Pacific has rendered extensive cooperation to several comparatively recently-established industries in Montana, such as the Victor Chemical Company's elemental phosphorus plant at Silver Bow, jointly served by the respective rail lines serving Butte, and to the talc mining operation of the Tri-State Minerals Company near Barratts, Montana.

Union Pacific is vitally interested at all times in the industrial development of the territory it serves, including Montana, and maintains a general agency at Butte as well as traffic offices throughout the United States, and particularly industrial development offices at Portland, Salt Lake City and Los Angeles.

Staff members of these offices are at all times alert to matters of industrial development and are available for prompt consultation and assistance as may be required in the interest of furthering the industrial development of Montana.

Jointly the railroads serving Montana now are engaged in an effort to obtain greater research and education on the production of malting barley on irrigated acreages in Montana. Expansion of this production would be a great aid to Montana agriculture and industry.

Today there is a new outlook for use of beet sugar and its by-products as the basis of chemical products.

Montana's railroads themselves are an important Montana industry, growing and changing constantly to meet new needs in the transportation field and to serve business and industry. For example, the annual railroad payroll in Montana is more than \$60,000,000. Railroads in Montana annually purchase additional millions in materials and supplies and they pay more than \$6,000,000 a year in taxes.

"Similar articles describing the activities of other industries and organizations with programs to help develop Montana will appear in future issues." Editor

Forecasts for '56 A Reason for Planning

According to information released by the Office of Business Economics of the U. S. Department of Commerce, businessmen plan to spend at a seasonally adjusted annual rate of about \$31½ billion in the first quarter of 1956, as compared with a rate of \$31 billion in the last quarter of 1955 and actual outlays of \$20½ billion in the third quarter of 1955.

Capital outlays for the full year of 1955, if fourth quarter programs are realized, will be \$1½ billion more than 1954 and as much as was spent in the record year of 1953. The annual rate of expenditures planned for the first quarter of 1956 is 12 percent above the average for 1955.

In everyday language this means that industry in 1956 will be expanding and diversifying their lines, dispersing and relocating plants, and building new plants at an even faster pace than was experienced in 1955. They are searching for new products, new markets and new plant sites. There are indications that the trend is westward, and many communities in Montana can be the object of this search if they investigate and evaluate their opportunities and plan and develop their communities for the future.

INQUIRIES OF INTEREST

An electronic company which has been manufacturing industrial controls and photo-electric devices for twenty years is expanding its sales force and is seeking representation in this geographic area. The Planning Board will be glad to hear from any firm or individual interested in contacting this company with respect to appointment as a technical representative for their products.

Another inquiry of importance to some Montana communities may be that of a medical doctor interested in locating in a community of 2,500 to 15,000 population in need of a general practitioner. This inquiry is being referred to the offices and agencies most familiar with this field. Interested communities can, however, be referred directly to the inquiring M. D. by contacting this office.

At the time of preparing this issue of "Horizons" for publication, several inquiries in response to the NEW YORK TIMES ad have been received. While most are concerned with industrial opportunities, not all are. One person from New Jersey wants to know about "retirement in Montana." Maybe this is a possibility we haven't given enough thought to. Does anyone, for example, know of a publication or information brochure that highlights opportunities and advantages of retirement in our state. Send us some if you do.

State's Potential Advertised In N. Y. Times

As a result of the cooperative effort of eighteen industrial, commercial and labor organizations operating in Montana, the Planning Board started the New Year with a hard-hitting full page advertisement in the NEW YORK TIMES. The advertisement, costing \$4,656, which invites industry to "Explore Montana's Industrial Opportunities" was a part of the ANNUAL REVIEW AND FORECAST OF U. S. BUSINESS, INDUSTRY AND FINANCE SECTION. This review section is published each January 3rd and has a circulation of over 500,000, principally among business and financial circles.

The initial endeavor of the Planning Board was for only a half page. Organizations contacted, however, were so enthusiastic that they suggested a full page effort and provided over 90% of the financial support. Sponsors associating with the Planning Board in this promotional effort include The Anaconda Company, Burlington Lines, The Milwaukee Road, Corcoran Pulpwood Company of Bozeman, Great Northern Railway Company, Ideal Cement Company of Trident, The Montana Bankers Association, Montana-Dakota Utilities Company, The Montana Federation of Labor, Montana Power Company, Mosby's Incorporated, KGVO Radio and Television of Missoula, The Mountain States Telephone and Telegraph Company, J. Neils Lumber Company of Libby, Northern Pacific Railway Company, Northwest Airlines, Pacific Power and Light Company, Union Pacific Railroad Company, and Western Life Insurance Company of Helena.

A statement by Governor J. Hugo Aronson and seven pictures with accompanying captions point up the advantages of industrial location in Montana. In addition, both pictures and narrative give considerable emphasis to the state's many outdoor recreational and vacation opportunities which raise morale and provide "better living" in an industrial society.

This national advertisement is considered to be especially well-timed in view of the general optimism and forecasts of experts for a prosperous 1956, and it is especially significant that many firms and organizations which were unable to participate in this effort have given encouragement and have offered a helping hand for future efforts.

Reprints of the advertisement are being arranged for by the Planning Board for promotional use. Persons on the mailing list for "Industrial Horizons" will each receive a copy which can be forwarded on to prospective firms and individuals. Additional copies will also be available, upon request from the Planning Board, to persons and organizations who have use for them.

BROAD PARTICIPATION ENCOURAGED BY ADVISORY COUNCIL CHAIRMAN

By: R. C. SETTERSTROM, Chairman
Advisory Council to State Planning Board

Religion and industrial development may seem entirely unrelated and yet they have many things in common. It is difficult to evaluate them in dollars and cents. They are practiced in many different forms and as individuals we generally have rather strong convictions in the matter. The leaders are generally dedicated to the cause and put forth great effort with little thought of fame or fortune, and yet most people accept them rather passively.

Montana is now officially making an effort toward industrial development through the State Planning Board. I believe it will be a fruitful effort over a period of time. It does give us a focal point for such activity. It should lead to greater coordination of effort of the many organizations, companies, and people who are working toward the common end of developing Montana's industrial resources.

The State Planning Board has already displayed a stubborn determination to do the difficult jobs. The full page advertisement in the New York Times is an example. They received little encouragement to proceed because the time seemed too short to sell the idea. That did not discourage them and lo and behold the task was accomplished. It is good that the job was tackled because it definitely proved that the business concerns in Montana, both large and small, stand behind the state's efforts to develop Montana's industrial potential.

"Now is the time for all good men to come to the aid of their country" — might be paraphrased — "Now is the time for all Montana citizens to come to the aid of the Planning Board."

For all of the Board's determination and foresight, they can accomplish very little industrial development by their own efforts. Community groups and civic organizations still need to carry out programs for the improve-



R. C. (Dick) SETTERSTROM

ment and development of their communities; they need to analyze and investigate potentials in their geographic areas; they need to look at both advantages and disadvantages with a critical eye; and they need to furnish information and data on their areas to the Board. Above all, their active participation in the industrial development program for Montana is needed. If we, at the community level, take such an interest and coordinate our efforts with those of the Board, much can be accomplished. I have a feeling that Montana will then develop at a substantially faster pace. We need the State Planning Board to guide and encourage this development in a manner that will result in greater prosperity and better living conditions for more of our people.

ADVISORY COUNCIL MEETING SCHEDULED

The Advisory Council of the Planning Board has a meeting scheduled in Helena for January 25th. A report will be given by the Director on activities since the last meeting and plans for future efforts will be discussed. Consideration will also be given to the desirability of holding a statewide meeting on industrial and community development. Initial plans for such a meeting will be made if it is determined that a need exists and if it appears that there is a sufficient amount of interest among individuals and communities in the state. Persons or organizations which may have matters they would like to bring to the attention of the Advisory Council and the Board may do so by contacting the Director in Helena.

Initiative and Imagination Basis for Small Plastics Molding Plant

In our efforts to encourage the industrial development of the state and communities, many of us often forget about the small struggling business, which start on a "shoestring" combined with an idea and a lot of ambition. Such enterprises should never be ignored and should be encouraged as much as possible. One which might fit into this category came to the Planning Board's attention as a result of a letter from H. A. Kendall of Missoula and an article in the "Daily Missoulian" of December 11, 1955. Because of its unique and interesting nature, we thought more people in Montana might like to hear about it.—Editor

Missoula, Montana, in the person of Harold Kendall and his Paramount Plastics Company, is reputed to have the only plastics molding plant of its type between Minneapolis and Seattle. Kendall, who is a graduate in chemistry from Montana State University, and his wife are the sole owners and staff of the operation. Their plant is a remodeled garage in the rear of their home at 1540 DeFoe Street in Missoula.

The plant can make just about anything that requires a plastic molding operation since the major piece of equipment is an injection molding machine, which at current prices costs \$8,000 to \$10,000. The function of the machine is to force plastic material into a mold, cool the product, and eject it. Up to 25,000 pounds of pressure can be exerted per square inch, with a 15 horsepower electric motor generating the hydraulic pressure. It has 135 tons of holding pressure against the force of the plastic being forced into the dies. Once the machine is set up for the particular product to be manufactured, its operation is automatic. A hopper on top is filled with plastic material and feeds down to a heated nozzle from which the material is forced into molds.

Kendall has manufactured quite a variety of products. His biggest job to date was the molding of 15,000 tail light lenses. Currently he is carrying on negotiations to manufacture cigarette lighters on a patent he took over from three other men who had invented and attempted to manufacture and merchandise it. Kendall says, "If this deal goes, it'll be the break I've been looking for."

Paramount Plastics is described as having manufacturing facilities for injection molding, fabrication, embossing, and metal working; offers services in model making, repair, embeddings, laminating, production tapping, etc.; and manufactures the Masonite Lighter, Flexafly Fishing Flies, and a wide variety of special objects. Kendall says that he will be "most happy to receive inquiries concerning his plastic manufacturing plant and the services and products it can provide." He intends "to stay in Montana and promote his business to a successful conclusion."

More Phosphate Rock To Be Mined

J. R. Simplot Company, with general offices in Boise, Idaho, is well along in its plans to mine about 150,000 tons of acid grade phosphate rock in 1956. The location of this operation is the Centennial Mountains (in Beaverhead County, Montana and Clark County, Idaho) where Simplot has been carrying on development work for a number of years.

Early operations will be from open-pit reserves with the phosphate rock hauled by truck to a crushing plant to be situated north of the town of Lakeview, Montana. After crushing, the initial ore will be hauled 35 miles to Monida, Montana, and loaded on the Union Pacific Railroad for shipment to Northwest Nitro Chemicals, Ltd., in Canada for processing into fertilizers.

Miscellaneous Development Activities

The "Hungry Horse News" published an exceptionally fine edition on December 16th highlighting economic activity and development in the vicinity of Columbia Falls, Montana. Especially attractive was a pictorial supplement containing excellent photographs (all of them taken by Editor Mel Ruder) of tourist attractions, operations at Anaconda's new aluminum plant, the lumber industry, Hungry Horse Dam, and highway improvements. Such deserved attention to the basic factors of an area's economy is not only of interest to the local population, but also helps to make its attractiveness known to others considering vacations and seeking new locations.

Deane Wiley, Manager of the Livingston Chamber of Commerce, has placed the Planning Board on the mailing list for the "Livingston Chamber of Commerce News," which is issued monthly. This is a good way of keeping the Planning Board informed on development activities and programs at the community level. Similar newsletters and other information on community doings are invited from all Montana towns and cities.

The Billings Gazette of January 3 reported that the Great Western Sugar Company at Billings packaged over one million 100 pound bags of sugar during its 1955 campaign. That's a lot of sugar—enough to supply the entire state for two years. It's the eighth time since 1906 that this volume of production has been achieved.

The Annual Meeting of the Sidney Chamber of Commerce on January 19, 1956, is being dedicated to Holly Sugar Corporation's 50th Anniversary and its 30 years operation in Sidney. This is in line with one of the basic principles of industrial development. **Recognize and nurture the industry you already have.**

The U. S. Chamber of Commerce has published an "Urban Development Guidebook," which is considered to be one of the best publications available on the solution of problems of urban development. Single copies can be obtained for \$1.00 each, quantities of three or more for 50c each, from the Chamber of Commerce of the United States, Washington 6, D. C.

Persons wishing to receive the "Products List Circular," prepared periodically by the Small Business Administration, may be placed on the mailing list by contacting the field office of the Small Business Administration in Helena. The purpose of the products list circular is to direct attention to government and privately owned inventions available for maintenance, expansion, and diversification of small businesses. Firms and individuals may also list inventions in the circular by getting in touch with the Helena field office.

Among cities known to be working on industrial development programs are Lewistown, Billings, Bozeman, Missoula, Livingston, Butte, Sidney, Glendive, Miles City, and Kalispell. So far, however, Lewistown is the only city that has furnished copies of their brochure to the Planning Board. Send us yours, too—maybe we can be of help in publicizing your possibilities.

Many communities have contacts with prospective industries and are frequently unable to offer the advantages necessary for location. Oftentimes, the desired advantages may be available in some other Montana city. When your city is unable to interest a prospect, do you suspend your promotional efforts, or do you refer them to some other community or area? We hope it's the latter.

The first issue of "Industrial Horizons," last month, had a circulation of over 1200.

University and Montana C. of C. Publications Helpful

Recent publications of the State University's Bureau of Business and Economic Research and the Montana Chamber of Commerce are proving useful in the early stages of the Planning Board's industrial development program.

Several Bureau publications are being referred to frequently for background and specific information in handling inquiries concerning Montana's economy. The December 1955 issue of "Montana Business," a monthly publication, is devoted to a brief survey on Montana resources by Maxine Johnson and is especially perceptive and informative.

The Montana Chamber of Commerce's "Industrial Survey and Directory of Manufacturers of Montana" is also finding its place in our program. Inquiries are frequently received specifically requesting just such a directory. Fortunately it can be furnished, as a result of the good work of Manager Bill Browning and his staff in Helena.

Both the December issue of "Montana Business" and "Industrial Survey and Directory" are being used for answering inquiries and supplying information on requests now being received as a result of the NEW YORK TIMES advertisement on Montana's industrial opportunities. Needless to say, the Planning Board appreciates the availability of these publications as well as those of other organizations and educational institutions. We still need more though, since many "blind spots" exist. Special effort is needed to revise existing publications and to develop new ones which will disclose and evaluate our state's potentials in a factual and understandable manner.

Worksheets for guidance in conducting industrial surveys are still available from the Planning Board. Also available is a "Guidebook for Community Industrial Development" prepared by the Minnesota Department of Business Development.

Industrial Horizons

The official publication of the State Planning Board, is issued monthly and distributed free of charge to Montana citizens. Its purpose and policy is to keep Montanans abreast of industrial development efforts and occurrences.

Persons or organizations wishing to receive HORIZONS may be placed on the mailing list by sending a card or letter to that effect to the State Planning Board with the name and address of recipient clearly indicated. Additional copies of the first issue, which outlined the program of the Board are also available on request.

Montana State Planning Board

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